

REMARKS

The present Amendment Response is responsive to the Final Office Action mailed September 2, 2005. By this Amendment, each of the previously pending claims are canceled. New Claims 35- 69 have been added. Reconsideration of the application, as amended, is requested.

Claim Rejections in view of Sandberg-Diment, Kravitz, and Sandberg-Diment in view of Kravitz

In the Office Action, Claims 1, 2, 8-10, and 17 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 5,826,245 to Sandberg-Diment ("Sandberg-Diment"). Claims 18, 19, 24, and 27-30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,029,150 to Kravitz ("Kravitz"). Claims 3, 5-7, 11, 13-16, 20-23, 25, 26, 31, and 34 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Sandberg-Diment in view of ("Kravitz"). Applicants respectfully submit that newly-added Claims 35-69 are allowable over Sandberg-Diment, Kravitz, and a combination thereof.

Sandberg-Diment provides a method of passing confidential information over an unsecured network with reduced risk of such confidential information being captured by an untrusted party (col. 1, lines 34-36). In Sandberg-Diment, a consumer may conduct a purchase transaction with a merchant. Instead of sending the entire credit card number to the merchant, the consumer's computer may split the credit card number into two halves (col. 2, lines 34-35 and 53-54). Each of these two halves of the credit card number are tagged with a four-digit pseudorandom tag (col. 2, lines 61-62). A first pseudorandom tag is placed at the beginning of a first half of the credit card number and a second pseudorandom tag is placed at the end of the second half of the credit card number, thus allowing a verification agent to reconstruct the credit card number in the proper order (col. 2, lines 64-67). The first tagged half of the credit card number is transmitted to the merchant with the consumer's order and card expiration date while the second tagged half of the credit card number is transmitted to the verification agent (col. 3, lines 9-20). The merchant then contacts the verification agent.

with its first tagged half of the credit card number and purchase price to obtain payment approval (col. 3, lines 33-37).

Kravitz is directed towards an specific electronic payment system. In particular, as shown in FIG. 2, the payment system involves a merchant, customer, and customer transfer application (CTA), which is in communication with the customer's software, the customer's bank, and the merchant clearing corporation (MCC) (*see* FIGs. 1 and 2). As shown in FIG. 2, a payment sequence begins after the customer has selected goods for purchase from a merchant (col. 12, lines 49-51). The merchant's network server sends a digital message and price quote to the customer's software. Assuming the customer desires to execute a payment of the quoted price, the customer's software transmits a digital payment request message to the customer's CTA (col. 12, lines 55-60). This digital payment request message includes the customer's account number and PIN (*see* customer account identifier, denoted AID, and PIN* in col. 28, lines 14-26, FIG. 7D, and col. 30, lines 28-29 (indicating "account number (AID)"). If the payment request message is acceptable (e.g., sufficient funds), the CTA executes an "intent to transfer" of funds from the customer's account to the merchant's account, which is transmitted back to the customer software in the form of a digital payment advice (col. 12, lines 62-64 and col. 13, lines 12-14). The customer's software then forwards this digital payment advice to the merchant's network server (col. 13, lines 17-19). "Because the [payment] advice is created only after a successful intent to transfer of funds by the CTA 102 (from the customer's CTA account to the merchants MCC account), a merchant is assured that an authenticated payment advice which the merchant successfully verifies represents a real payment into the merchant's system account" (col. 13, lines 26-31).

The Newly Added Claims are Allowable Over The Recited References

Newly-added independent Claims 35, 45, 51, 56, and 66 are allowable over Sandberg-Diment, Kravitz, and a combination thereof because they each recite that *no portion of the purchaser account number is transmitted to the merchant or to the financial institute (or financial institute representative) during the transaction.*

In contrast to the inventions recited in the amended claims, in Sandberg-Diment each half of the credit card number is transmitted to the verification agent and the merchant. This method

of transferring only half of the credit card number to the verification agent and merchant in Sandberg-Diment reduces the risk that someone may intercept and recognize the two halves of the credit card number (col. 3, lines 24-27). The Office Action states that Sandberg-Diment discloses, *inter alia*, “[u]nder this procedure, the merchant 16 never receives the entire credit card number 30, but rather only a tagged piece 32b and an approval code 36 which need not bear any relation to the credit card number 30 itself” (col. 4, lines 1-4)(emphasis added). Thus, ‘the identify of the purchase account being unknown to the seller’” as in Claim 1” (Office Action, page 12). Although the entire credit card number is not known to the merchant in Sandberg-Diment, half of the credit card number is known and in fact *required* to enable the reconstruction of the entire credit card number. Therefore, Sandberg-Diment is inoperative if no portion of the credit card number is provided to the merchant, as required in the amended claims.

In Kravitz the account number is transmitted from the customer to the customer transfer application (CTA). The account number is necessary in order for the CTA to retrieve the customer’s database entry in the CTA (see col. 30, lines 26 (stating that “[f]rom this information [the subscriber identifier (SID) and account number (AID)] the customer’s database account entry at the CTA 102 is available”). Like Sandberg-Diment, the transfer of the account number from the purchaser to the CTA is required to facilitate payment from the CTA into a merchant account.

Because at least a portion of the account numbers are transmitted from the purchaser to either or both of the financial institute or financial institute representatives and merchants in both Sandberg-Diment and Kravitz, each of the newly added independent claims are allowable. Additionally, there is no suggestion in Sandberg-Diment or Kravitz, or that the references may be combined, to teach a system where a purchaser account number is not provided at least in part to the merchant or the financial institute.

For the above reasons, each of the independent claims are allowable. Additionally, each of the dependent claims are allowable as being dependent on allowable base claims.

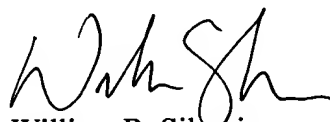
CONCLUSION

The applicants believe they have responded to each matter raised by the Examiner. Allowance of the claims is respectfully solicited. It is not believed that extensions of time or fees

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for addition of claims are required beyond those that may otherwise be provided for in documents accompanying this paper. However, in the event that additional extensions of time are necessary to allow consideration of this paper, such extensions are hereby petitioned under 37 CFR §1.136(a), and any fee required therefore (including fees for net addition of claims) is hereby authorized to be charged to Deposit Account No. 19-5029.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. R. Silverio', written in a cursive style.

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